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DEFENSE NUCLEAR FACILITIES SAFETY BOARD

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May 12, 1994

Honorable Charles B. Curtis
Under Secretary of Energy
Washington, D.C. 20585

Dear Mr. Curtis:

The Board appreciated the joint briefings on Monday, May 9, 1994, regarding safety issues of mutual interest. Admiral Evans' progress report on Board Recommendation 93-3 regarding recruitment, retention, training, and education of technical personnel was encouraging in many regards. The Board is still, however, concerned that DOE remains at a severe recruiting disadvantage because it has not obtained statutory authority from Congress for excepted service hiring of scientific and engineering personnel.

You will recall that the Board's General Counsel emphasized at the briefing that excepted service is fully consistent with the goals and specific recruitment programs called for in the Administration's National Performance Review (NPR). Enclosed is a previously-prepared Board document which briefly demonstrates how excepted appointment authority is clearly compatible with the NPR. If and when implementing legislation is eventually passed for NPR, excepted service will easily dovetail into the Administration's plan and program. In fact, excepted service anticipates all of the essential features of the NPR. Thus, the Board urges DOE to continue to expeditiously seek excepted employment authority from Congress as committed to by the Secretary in the Department's Implementation Plan for 93-3.

Sincerely,

John T. Conway
Chairman

Enclosure

NATIONAL PERFORMANCE REVIEW
STREAMLINING PERSONNEL POLICY

1. CLASSIFICATION SYSTEM. The NPR has recommended that agencies dramatically simplify the current classification system to provide greater flexibility for classifying and paying their employees. (Page 24)

CLASSIFICATION UNDER EXCEPTED SERVICE. Excepted service authority allows an agency to specifically tailor a classification and pay system to meet its particular needs. For example, using a form of excepted service authority which exempts it from Civil Service laws and the Classification Act, the Defense Nuclear Facilities Safety Board (Board) adopted a broad-band pay system for its technical staff. All scientific and engineering positions are classified in one of five pay bands. Each pay band level is described in generic terms beginning with entry level positions (Bands I & II) through the most senior level (Band V).

The Board has simplified its classification system further by using broad, generic groupings for its technical staff. Nearly all scientific and technical personnel are combined under one of four generic classifications: (1) Engineering Intern, (2) Technical Specialist, (3) Program Manager, or (4) Systems Engineer. The Board has grouped the technical staff under the General Engineering Series 801.

With the broad-band pay system, agencies can increase their flexibility in recruiting and retaining highly competent personnel with the ability to promote and reward its staff within this broad-band system without having to reclassify positions. The administrative aspects have been streamlined in that promotions within a pay band do not require a reclassification of the position, and managers have increased flexibility to give performance based cash bonuses and/or salary increases.

2. RECRUITMENT & HIRING. The NPR recommends that agencies be given the authority to conduct their own recruitment and hiring activities. This includes abolishing the Office of Personnel Management (OPM) central registers and standard application forms. (Page 23)

RECRUITMENT & HIRING UNDER EXCEPTED SERVICE. Excepted service authority greatly enhances an agency's ability to directly recruit and hire a highly competent staff by exempting certain positions from the Competitive Civil Service and the Classification Act. With this excepted authority, agencies have the flexibility to hire personnel directly, and to establish pay commensurate with the duties and responsibilities of each positions and the market for such talent.

3. **PERFORMANCE MANAGEMENT SYSTEM.** NPR recommends that agencies be allowed to design their own performance management and reward systems, with the objective of improving the performance of individuals and organizations.
(Page 25)

PERFORMANCE MANAGEMENT SYSTEMS UNDER EXCEPTED SERVICE. Excepted service authority, with its flexible pay provisions, can have a substantial impact on Performance Management Systems, creating a meaningful appraisal process that directly links performance with pay. For example, management is not required to grant employees automatic within grade increases. Rather, based on the outcome of the annual performance appraisal review, management can reward outstanding accomplishments by individual staff members with meaningful cash bonuses and/or pay increases. Paralleling the NPR recommendations in this area, excepted service authority can provide agencies with the flexibility to design a pay for performance system which is not possible under the existing Civil Service System. Using various pay for performance plans, the resulting management and reward systems have proven to be very effective in holding employees accountable for their performance and rewarding outstanding performance accordingly.

4. **REDUCING THE AMOUNT OF TIME TO REMOVE UNACCEPTABLE PERFORMERS.** (Page 25)

ACTIONS UNDER EXCEPTED SERVICE. Using excepted service authority, an agency's ability to recruit and hire highly competent and skilled employees is enhanced significantly. Lesser achievers are generally not attracted to excepted service jobs due to pay for performance requirements. Moreover, agencies can establish a multi-year probationary period for nonpreference eligibles, which allows supervisors to assess an individual's performance level over a more realistic time period, and if necessary to remove an employee who is performing at an unacceptable level without having to go through lengthy and time-consuming removal processes.